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QUARTERLY ESTIMATES OF

THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

FIRST QUARTER, 1958

In the first quarter of 1958 Canada's deficit from current transactions in goods and services with other countries was again, at \$293 million, appreciably less than that of \$417 million in the corresponding period of 1957 but still higher than in any quarter before 1956. As in the previous quarter the greatest change occurred in the sharp contraction in the size of the import balance in commodity trade to \$69 million as imports fell more than exports. But once again the deficit from all other current transactions of \$224 million was more than in the same quarter of the previous year, and was responsible for most of the imbalance. The major part of this underlying imbalance continued to be from deficits on income and travel accounts, business services, personal remittances and official contributions. But the rises over the previous year were not general and were partly due to non-recurring transactions.

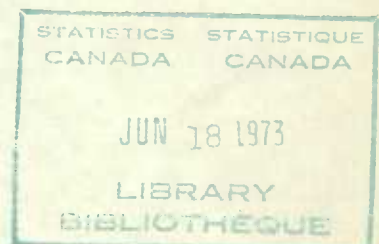
Among leading influences upon the size of the deficit was the impact of reduced business investment in Canada towards contracting merchandise imports. But at the same time the generally high levels of some branches of production and of incomes had sustaining effects upon many kinds of Canadian expenditure abroad, both in the case of some commodity imports and in other current transactions. As merchandise exports fell only slightly in total value from the previous year compared with a drop of 13 per cent in imports, the import balance on merchandise trade was reduced to \$69 million in 1958 from \$226 million in the first quarter of 1957. This change in balance occurred in a period when there was a deterioration in the terms of trade as import prices rose appreciably and export prices fell slightly.

Sharp contraction in some merchandise imports

In the first quarter of 1958 the total value of Canadian exports was only some 1 per cent less than in the same period of 1957 when exports had been close to recent peaks. But this general maintenance of the total was the result of divergent trends in many leading commodities. Even though many prominent exports contracted significantly there were special factors raising exports of other commodities. The expansion of new export capacity in uranium was an important element serving to maintain the total, along with special shipments of wheat to some markets, unusually heavy demand for Canadian cattle and meat in the United States, large deliveries of aircraft on contract with non-residents, and an up-turn in shipments of farm implements and a few other commodities. Exports of some other leading commodities like lumber, steel, nickel and alcoholic beverages were generally sustained, but instances of declines were more numerous. The principal declines were in pulp and paper, pulpwood, petroleum, oilseeds, barley, aluminum, copper, lead, zinc, asbestos, and old ships.

Prepared in the Balance of Payments Section, International Trade Division.

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Changes in regional distribution of exports arising from the above trends have been relatively small. Exports to the two largest markets, the United States and the United Kingdom were almost as great in total value in the first quarter of 1958 as in 1957, because of offsetting trends in different commodities, and represented about the same ratios of the total, 60 per cent and 15 per cent respectively. But to other countries there was a net decline, with however, divergent trends in various markets. A relatively large rise occurred in exports to the rest of the Sterling Area including automobiles to South Africa and large shipments of wheat to India under special financial arrangements. But exports to Europe, Japan, and Latin America were down considerably, the latter chiefly because of large non-recurring sales of used ships the previous year.

In contrast to the above trend in export totals, the value of imports again showed a substantial decline of 13 per cent in the first quarter from the level of the corresponding part of the previous year. Thus, the trend which had become prominent in the closing quarter of 1957 continued in 1958. The declines in imports have been most conspicuous in groups of commodities which have been imported in exceptional volume during the period in 1956 and 1957 when business investment in Canada was at peak levels. Among the commodities which have declined most were machinery and equipment, primary steel, and other rolling mill products. But by the first quarter other declines also appeared, although usually these were less pronounced and were more evident in industrial materials where inventories were undergoing readjustment. On the other hand some commodities continued to be imported in exceptional volume, even occasionally showing increases in the first quarter. One of the best examples of a recent unusually high level of imports is provided by British and European automobiles.

Virtually all of the reduction in imports as compared to the same quarter last year was from the United States; the value imported from the United Kingdom was maintained and there were relatively small changes in other overseas sources.

Large deficit continues from transactions in services and other non-merchandise items

The deficit in non-merchandise transactions in the first quarter of 1958 was \$33 million larger than that incurred in the first quarter last year. At \$224 million it was only slightly less than the record deficit in the fourth quarter of 1957. This increase in the deficit as compared to the same quarter of last year was the result of divergent and partially offsetting movements in the major items of the accounts. Three components moved to reduce, three to widen, and one to maintain the deficit. One of the items tending to narrow the overall deficit was gold available for export, which increased by \$5 million to \$44 million in the first quarter of this year. The increase may in part reflect the special and temporary decline in production which occurred in 1957. A marginal decline in both receipts and payments of income resulted in a smaller deficit in the first quarter. Interest payments rose still further as the impact continued to be felt of the extraordinary level of bonds sales to non-residents in 1956 and 1957. This rise, however, was more than offset in the first quarter of 1958 by a decline in dividend payments, which was related primarily to a drop in remittances of subsidiaries and branches to parents in the United States. The small decline in receipts from non-residents was similarly related to lower income transfers from Canadian direct investments abroad. The revision of the reciprocal agreement relating to withholding tax on income payments to and from the United States, had a heavy impact in the first quarter of 1958; in this quarter dividends were payable at the reduced rate, and a number of refunds were made covering overpayments in 1957. It is expected that the increase in dividend payments to non-residents arising out of the amendment will be larger than the increase in receipts accruing to Canadians.

Receipts and payments for freight and shipping also continued to decline in the first quarter of 1958, and fell to levels below any quarter since 1955. As receipts fell from \$104 million to \$94 million, and payments from \$109 million to \$94 million, the deficit on this account disappeared. The decline in receipts and payments was related to the lower level of imports, and exports particularly of petroleum, and to smaller charter revenues.

An increase of \$1 million in expenditures of both Canadian tourists travelling abroad, and non-residents visiting Canada, resulted in an unchanged deficit of \$70 million in the first quarter this year. These increases are considerably less, when seasonal factors are taken into account, than those recorded in other quarters over the past two years.

A decline of some 40,000 people or 65 per cent in immigration in the first quarter of 1958 as compared to the same quarter of 1957 resulted in a sharp falling off in receipts of immigrants' funds. The major portion of the decline related to immigration from the United Kingdom, although of course the immigration of Hungarian refugees which was so significant in the first quarter of 1957, had almost disappeared by 1958. Emigration from Canada appeared to be somewhat lower in 1958 to date, and emigrants' remittances were comparably lower. Official contributions consisting largely of expenditures under the Colombo Plan were double those in the first quarter of 1957, but at \$10 million, were substantially below the final quarter of last year.

The increase in the deficit for miscellaneous services and all other "invisible" items was the major factor contributing to the enlarged non-merchandise deficit. Receipts continued to decline in the first quarter of 1958, reaching at \$84 million, the lowest level since early 1955. A factor in the decline was a further reduction in United States defence expenditures in Canada compared with the previous year. Payments for these miscellaneous transactions increased still further in the first quarter, reflecting in the main sustained and substantial expenditures for miscellaneous business services and income, personal and institutional remittances, and Canadian Government defence commitments in NATO. In addition there were some extraordinary payments of a non-recurring nature by the Canadian Government.

Summary of Current Transactions with the
United States, United Kingdom, and Other Countries

First Quarter 1957 and 1958

(millions of dollars)

	<u>All Countries</u>		<u>United States</u>		<u>United Kingdom</u>		<u>Other Countries</u>	
	1957	1958	1957	1958	1957	1958	1957	1958
Merchandise exports (adjusted)	1,102	1,087	654	649	163	157	285	281
Merchandise imports (adjusted)	1,328	1,156	1,000	831	114	114	214	211
Balance on merchandise trade	- 226	- 69	- 346	- 182	+ 49	+ 43	+ 71	+ 70
Balance on non-merchandise trade	- 191	- 224	- 130	- 141	- 24	- 34	- 37	- 49
Current account balance	- 417	- 293	- 476	- 323	+ 25	+ 9	+ 34	+ 21

Transactions by areas

The decrease in the deficit from \$417 million to \$293 million from the first quarter of 1957 to the first quarter of 1958 is more than accounted for by \$153 million decline in the deficit with the United States. Somewhat offsetting these favourable movements vis-a-vis the United States was a smaller surplus with overseas countries which occurred in the case of transactions both with the United Kingdom and with other countries. Almost the whole of the \$153 million decline in the deficit with the United States since the first quarter of 1957 was related to merchandise trade. Exports to the United States fell only slightly in total, as large increases in a few commodities like cattle and uranium partly offset more general declines which were particularly notable in petroleum, non-ferrous metals and pulp and paper. This decline in the export total, however, was more than offset by a sharp drop in imports from that country, and the commodity trade deficit fell from \$346 million to \$182 million. The decline in imports from the United States from \$1 billion in the first quarter of 1957 to \$831 million in 1958 arose from a general contraction in Canadian demand for industrial machinery and equipment, iron and steel, and other industrial materials, and some consumer goods such as automobiles and parts. At the same time, there was a widening in the imbalance for non-merchandise items related for the most part to a decline in receipts from the United States for defence spending in Canada. But there has been in addition, some decline in income remitted by branches and wholly owned subsidiaries to parents in the United States and this has tended to reduce the growth of the deficit.

The surplus with the United Kingdom fell to \$9 million in the first quarter of 1958; this is the smallest surplus recorded since early in 1953. Only \$6 million of the decline from the first quarter 1957 related to commodity trade, and this was entirely the result of a decline in exports, including such items as aluminum, copper, seeds, tobacco, and oil cake and meals. On the other hand, exports of some commodities increased including lumber, newsprint, nickel and chemicals. The balance of the decline in the surplus in the first quarter was related to a larger deficit on non-merchandise transactions. Receipts from the United Kingdom of income and immigrants' funds declined while payments for miscellaneous and special items rose. The surplus with other overseas countries declined to \$21 million in the first quarter 1958 from \$34 million in the same quarter last year. This change reflected a larger surplus with the rest of the Sterling Area, which was more than offset by a smaller surplus with OEEC countries and a larger deficit with all other countries. The increased surplus with the Sterling Area reflected larger exports of wheat and flour, railway rails, industrial equipment and other commodities, to India, Ceylon and South Africa. Some of the increase in exports to countries in Asia was financed by credits from the Government and through Colombo Plan contributions. The latter contributions increased from \$5 million to \$10 million from the first quarter of 1957 to 1958. The deterioration in the balance with OEEC and all other countries was primarily related to a decline in exports of wheat, flax seeds, and used ships. Declines were most notable in total exports to France, Germany, Belgium and Luxembourg, Japan, Panama, Mexico and the Philippines. In addition there were some special non-recurring payments to the OEEC which reinforced the contracting surplus.

Capital movements

Capital movements in such long-term forms as direct investment, portfolio security transactions, and official loans led to an inflow of \$214 million or about 73 per cent of the current account deficit. In the final quarter of 1957 the corresponding inflow amounted to \$211 million or 82 per cent of the somewhat smaller current account deficit, and in the first quarter of that year the figure was \$317 million or 76 per cent.

The major changes in capital movements from the fourth quarter of 1957 to the first quarter of 1958 are shown below, with corresponding figures for the changes a year earlier.

	IV Quarter 1957 to I Quarter 1958	IV Quarter 1956 to I Quarter 1957
	Change in (millions of dollars)	
Direct investment	- 80	- 95
Portfolio securities	+ 108	+ 12
Official loans	- 16	-
Official loan repayments	- 9	- 27
Canadian dollar holdings of foreigners	- 41	- 38
Official holdings of gold and foreign exchange	- 100	+ 40
Other capital movements	+ 175	+ 155
Net capital movement	+ 37	+ 47

(A minus sign indicates an increased capital outflow or a decreased capital inflow)

A very sharp contraction appears to have occurred in the rate of inflow of capital for direct investment in foreign-controlled enterprises in Canada. This is tentatively placed at \$75 million or at about half the figure for the final quarter of 1957. But it should be remembered that the fourth quarter movement was extraordinarily high and that the first quarter inflow has customarily been lower than average. Preliminary data indicate that inflows to manufacturing fell sharply, and that inflows to the petroleum industry and mining accounted for a very high proportion of the total. The decline from the fourth quarter occurred about proportionately in the net movements from the United States, from the United Kingdom, and from other overseas countries.

The net outflow of capital from Canada for direct investment abroad is placed at \$5 million, or about the same level as in the fourth quarter of 1957.

Transactions in Canadian portfolio securities led to a net inflow of \$145 million. Trade in outstanding issues resulted in a net outflow of \$3 million and retirements of foreign-held Canadian debt amounted to \$16 million, the lowest figure recorded in any quarter since 1953. Against these outflows of capital there were receipts of \$164 million representing the proceeds of new issues sold to non-residents. This figure was well above the levels of the third or fourth quarters of 1957 but greatly below the peak of \$293 million reached in the second quarter. In the preceding period it is necessary to go back to the first quarter of 1956 to find a smaller figure. Provincial governments were the largest external borrowers, followed closely by corporations. A somewhat greater spread between interest rates in Canada and in the United States was probably a factor contributing to the larger volume of new issues sold abroad. The increase in new issues sold abroad occurred despite a decline in gross new issues.

Transactions in foreign portfolio securities led to a net capital inflow of \$8 million as a result of trade in outstanding issues, purchases of new issues and retirements.

A feature of the Canadian balance of payments in the first quarter which has been absent since 1950 was the extension of Government credit to an overseas Government. Advances to cover purchases of Canadian wheat by India amounted to \$16 million. There were no repayments due during the quarter on Canada's active post-war loans, but the regular quarterly principal repayment of \$7.5 million was made by the United Kingdom in respect of the \$700 million interest free loan of 1942 on which the balance outstanding now amounts to \$22.5 million.

Canadian dollar holdings of non-residents were reduced by \$23 million during the quarter. More than half this decline was in holdings of residents of the United Kingdom.

A capital outflow amounting to \$39 million also occurred from the exchange transactions of the Government of Canada, including the operations of the Exchange Fund Account. Official holdings of gold and United States dollars, expressed in terms of United States currency, were increased from \$1,828.3 million at December 31, 1957, to \$1,867.7 million at March 31, 1958.

Other capital movements appear on balance to have resulted in an inflow of \$141 million; large inflows in this item also occurred in the first quarters of 1956 and 1957.

The Canadian dollar strengthened on the world's exchange markets over the first quarter although the strengthening was not as pronounced as the decline which occurred through the fourth quarter of 1957. The closing quotation for the United States dollar in Canada in 1957 was 98.41 cents; at the end of the first quarter it was 97.44 cents. The high during the quarter was 99.16 cents reached in early January, and the closing rate was the low for the quarter, giving a trading range of 1.72 cents. The noon average for the quarter was 98.11 cents; this compared with 96.82 cents for the final quarter of 1957.

Summary of Capital Movements, by quarters, 1956 - 1958

(millions of dollars)

	1956	1957				1958
	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Direct investment in Canada	+ 185	+ 95	+ 155	+ 120	+ 155	+ 75
Direct investment abroad	- 15	- 20	- 15	- 15	- 5	- 5
Canadian securities:						
Trade in outstanding bonds	- 12	- 8	- 1	- 14	- 13	- 1
Trade in outstanding stocks	+ 29	+ 41	+ 48	+ 44	+ 7	- 2
New issues	+ 211	+ 258	+ 293	+ 140	+ 71	+ 164
Retirements	- 22	- 42	- 40	- 44	- 26	- 16
Foreign securities	+ 17.	- 14	+ 16	+ 9	+ 6	+ 8
Loans by Government of Canada:						
Drawings	-	-	-	-	-	- 16
Repayments	+ 34	+ 7	+ 20	+ 7	+ 16	+ 7
Canadian dollar holdings of foreigners	+ 5	- 33	- 27	+ 7	+ 18	- 23
Official holdings of gold and foreign exchange (increase, -)	- 27	+ 13	- 22	+ 53	+ 61	- 39
Other capital movements	- 35	+ 120	+ 97	- 121	- 34	+ 141
Net capital movement financing current account deficit	+ 370	+ 417	+ 524	+ 186	+ 256	+ 293

Unprecedented increase in Canada's foreign debt

The Bureau's estimates of long-term investment in Canada owned by non-residents and of Canadian long-term investment abroad at the end of 1956 have now been completed and are given in summary form in an accompanying statement. Complete industrial detail will be published in the annual report on "The Canadian Balance of Payments, 1957, and International Investment Position", together with preliminary estimates of totals at the end of 1957.

Among the features revealed in the statement is an increase in the year 1956 alone of over \$2 billion in non-resident long-term investment in Canada. Direct investment grew by \$1,104 million, foreign holdings of government and municipal bonds by \$266 million, other portfolio investments by \$535 million and miscellaneous investments by \$180 million. These increases totalled \$1 billion more than in 1954, the year of largest increase heretofore recorded. Total long-term investment in Canada by foreigners more than doubled in the eight years since the end of 1948 to reach nearly \$15.6 billion at the end of 1956. There has been a further substantial increase since that time.

Reflecting mainly the net inflows of capital and the retention of earnings accruing to non-resident owners, the long-term investment in Canada by residents of the United States increased in 1956 by 15 per cent. Investments of the United Kingdom rose by 13 per cent. But these growths were outpaced by the rise in investments of residents of other overseas countries which grew by 32 per cent in the year to more than double their total at the end of 1952.

The above changes in investments by non-residents have had pervasive effects upon the ownership and control of Canadian industry with so much of direct investment in branches and subsidiaries controlled abroad and of other investments in Canadian industry. The non-resident investments have been spread among most fields of business but are most concentrated in those areas of industry where large amounts of capital are invested such as in petroleum in all its branches, in the development of other minerals and natural resources, and in large scale manufacturing. As a result more than four-fifths of the petroleum industry is controlled abroad while in the rest of mining the ratios of non-resident ownership and control are well over one-half. And in the broad sphere of manufacturing, excluding petroleum refining, the ratios are not far from one-half, but well over one-half in the case of control if petroleum refining is included. It is in the corporate sphere of Canadian businesses engaged in commodity production that the non-resident investments are heaviest and are usually accompanied by control. In contrast non-resident control is generally absent in the non-corporate spheres like agriculture, small scale merchandising, or utilities operated by governments and municipalities, although there has of late been again a growing non-resident ownership of bonds issued by provincial and municipal governments as well as corporations.

Canadian long-term investments abroad have also grown somewhat, rising on balance by \$89 million during 1956 to nearly \$4.5 billion. It should be borne in mind that this figure cannot be set directly against the total of non-resident long-term investments in Canada, because non-residents have a substantial equity in Canadian long-term investments abroad through their ownership of Canadian corporations. This equity amounted to \$770 million at the end of 1956. The existence of this non-resident interest tends to be overlooked in per capita comparisons of Canadian and United States investment abroad. The beneficial Canadian interest in long-term investments outside Canada of \$3,696 million amounted to more than \$225 per capita. On the other hand long-term investments outside the United States owned by residents of that country were about \$40 per capita greater. Foreign long-term investment in Canada by all non-residents represented a claim of over \$950 per capita of Canadian population. The corresponding United States liability was under \$90.

Taking into account all Canadian external assets and liabilities other than short-term commercial indebtedness and holdings of blocked currencies, Canada's net international indebtedness is now calculated to have been \$9.8 billion at the end of 1956, having risen from \$3.7 billion since the end of 1949. Additional borrowing in 1957 brought the figure to over \$11 billion, and a further increase is indicated by developments thus far in 1958.

Selected Statistics of Canada's International Investment Position, 1945 - 1956

(millions of dollars)

	1945	1949 ⁽¹⁾	1953	1954	1955	1956
FOREIGN LONG-TERM INVESTMENTS						
IN CANADA OWNED BY:						
ALL NON-RESIDENTS						
Direct investments	2,713	3,586	6,003	6,764	7,725	8,829
Government and municipal bonds	1,662	1,755	2,087	2,056	1,868	2,134
Other portfolio investments	2,433	2,320	2,904	3,163	3,237	3,772
Miscellaneous investments	284	302	467 ⁽²⁾	561	641	821
TOTAL	7,092	7,963	11,461	12,544	13,471	15,556
RESIDENTS OF THE UNITED STATES⁽³⁾						
Direct investments	2,304	3,095	5,206	5,787	6,516	7,364
Government and municipal bonds	1,450	1,534	1,870	1,822	1,639	1,871
Other portfolio investments	1,106	1,107	1,537	1,753	1,758	2,075
Miscellaneous investments	130	170	257 ⁽²⁾	302	367	475
TOTAL	4,990	5,906	8,870	9,664	10,280	11,785
RESIDENTS OF THE UNITED KINGDOM⁽³⁾						
Direct investments	348	428	612	759	884	1,042
Government and municipal bonds	157	171	150	144	141	152
Other portfolio investments	1,160	1,051	1,130	1,137	1,167	1,299
Miscellaneous investments	85	67	116 ⁽²⁾	137	157	168
TOTAL	1,750	1,717	2,008	2,177	2,349	2,661
RESIDENTS OF ALL OTHER COUNTRIES						
Direct investments	61	63	185	218	325	423
Government and municipal bonds	55	50	67	90	88	111
Other portfolio investments	167	162	237	273	312	398
Miscellaneous investments	69	65	94 ⁽²⁾	122	117	178
TOTAL	352	340	583	703	842	1,110
CANADIAN LONG-TERM INVESTMENTS⁽⁴⁾ IN						
ALL FOREIGN COUNTRIES						
Direct investments	720	926	1,485	1,628	1,749	1,903
Portfolio investments	621	638	869 ⁽²⁾	926	993	998
Government of Canada credits	707	2,000	1,778	1,705	1,635	1,565
TOTAL	2,048	3,564	4,132	4,259	4,377	4,466
UNITED STATES						
Direct investments	455	721	1,127	1,240	1,301	1,407
Portfolio investments	409	443	564 ⁽²⁾	579	628	635
TOTAL	864	1,164	1,691	1,819	1,929	2,042
UNITED KINGDOM						
Direct investments	54	59	104	119	131	139
Portfolio investments	53	40	29	31	46	48
Government of Canada credits	561	1,434	1,292	1,247	1,202	1,157
TOTAL	668	1,533	1,425	1,397	1,379	1,344
ALL OTHER COUNTRIES						
Direct investments	211	146	254	269	317	357
Portfolio investments	159	155	276	316	319	315
Government of Canada credits	146	566	486	458	433	408
TOTAL	516	867	1,016	1,043	1,069	1,080

NOTES: Data represent book values. As the fiscal year-ends of some corporations do not correspond with the calendar year, comparisons of year to year changes with balance of payments data should be made with caution. The estimates are also affected by reclassifications between direct and portfolio series and by accounting adjustments in the basic data. Figures for 1956 are subject to revision.

(1) Prior to 1949 Newfoundland was classified as an "other country".

(2) New series not strictly comparable with earlier years.

(3) Including some investments held as nominees for other countries.

(4) Excluding investments of insurance companies and banks, and subscriptions by the Government of Canada to the IBRD, IFC and IMF, but including the equity of non-residents in assets abroad of Canadian companies amounting at the end of 1956 to \$770 million.

QUARTERLY ESTIMATES OF THE CANADIAN

Note: Data for 1957 are preliminary and 1958

		1956			
		I	II	III	IV
A	Current Receipts				
1	Merchandise exports (adjusted)	1,051	1,263	1,246	1,273
3	Gold production available for export	37	40	38	35
4	Travel expenditures	26	65	191	54
5	Interest and dividends	35	39	25	41
6	Freight and shipping	102	115	117	116
7	Inheritances and immigrants' funds	17	28	26	27
11	All other current receipts	91	112	108	119
12	Total Current Receipts	1,359	1,662	1,751	1,665
B	Current Payments				
1	Merchandise imports (adjusted)	1,242	1,541	1,350	1,434
4	Travel expenditures	93	133	169	103
5	Interest and dividends	112	116	121	181
6	Freight and shipping	99	134	131	134
7	Inheritances and emigrants' funds	25	28	29	30
9	Official contributions	9	10	5	6
11	All other current payments	142	135	150	147
12	Total Current Payments	1,722	2,097	1,955	2,035
	Balance on Merchandise Trade	- 191	- 278	- 104	- 161
	Balance on Other Transactions, excluding B 9	- 163	- 147	- 95	- 203
	Official Contributions	- 9	- 10	- 5	- 6
C	Current Account Balance	- 363	- 435	- 204	- 370
D	Capital Account				
	Direct Investment				
1	Direct investment in Canada	+ 121	+ 169	+ 120	+ 185
2	Direct investment abroad	- 66	- 5	- 24	- 15
	Canadian Securities				
3a	Trade in outstanding bonds and debentures	+ 46	- 14	- 8	- 12
3b	Trade in outstanding common and preference stocks	+ 31	+ 57	+ 78	+ 29
4	New issues	+ 111	+ 181	+ 178	+ 211
5	Retirements	- 71	- 23	- 24	- 22
	Foreign Securities				
6	Trade in outstanding issues	- 16	+ 10	+ 10	+ 23
7	New issues	- 1	- 5	- 3	- 6
8	Retirements	-	-	-	-
	Loans by Government of Canada				
9	Drawings	-	-	-	-
10,11	Repayments	+ 7	+ 21	+ 7	+ 34
14	Change in Canadian dollar holdings of foreigners	- 23	- 5	- 3	+ 5
16	Change in official holdings of gold and foreign exchange (increase, minus)	+ 29	- 30	- 5	- 27
17	Other capital movements	+ 195	+ 79	- 122	- 35
E	Net Capital Movement	+ 363	+ 435	+ 204	+ 370

NOTES: Mutual Aid to NATO countries is not included in either current receipts or current payments.

A 1) Merchandise trade statistics are adjusted for use in this statement. Details of these adjustments are shown in the annual reports on B 1) "The Canadian Balance of International Payments".

A 11) This item includes government transactions n.o.p., personal and institutional remittances, miscellaneous income, insurance transactions, and business services.

BALANCE OF INTERNATIONAL PAYMENTS

data for 1956 are subject to revision.

1957				1958	Annual Totals		Four Quarters Ending Mar. 31, 1958		
I	II	III	IV	I	1955	1956	1957		
(millions of dollars)									
1,102	1,215	1,308	1,284	1,087	4,332	4,833	4,909	4,894	A
39	31	27	50	44	155	150	147	152	1
30	77	199	56	31	328	336	362	363	3
25	40	31	55	24	160	140	151	150	4
104	113	107	97	94	398	450	421	411	5
23	42	32	23	18	86	98	120	115	6
108	103	89	85	84	391	430	385	361	7
									11
1,431	1,621	1,793	1,650	1,382	5,850	6,437	6,495	6,446	12
1,328	1,518	1,351	1,290	1,156	4,543	5,567	5,487	5,315	B
100	143	177	103	101	449	498	523	524	1
129	148	136	200	126	483	530	613	610	4
109	143	129	112	94	415	498	493	478	5
27	30	31	32	25	105	112	120	118	6
5	8	7	18	10	24	30	38	43	7
150	155	148	151	163	529	574	604	617	9
									11
1,848	2,145	1,979	1,906	1,675	6,548	7,809	7,878	7,705	12
- 226	- 303	- 43	- 6	- 69	- 211	- 734	- 578	- 421	
- 186	- 213	- 136	- 232	- 214	- 463	- 608	- 767	- 795	
- 5	- 8	- 7	- 18	- 10	- 24	- 30	- 38	- 43	
- 417	- 524	- 186	- 256	- 293	- 698	-1,372	-1,383	-1,259	C
									D
+ 95	+ 155	+ 120	+ 155	+ 75	+ 417	+ 595	+ 525	+ 505	1
- 20	- 15	- 15	- 5	- 5	- 74	- 110	- 55	- 40	2
- 8	- 1	- 14	- 13	- 1	- 165	+ 12	- 36	- 29	3a
+ 41	+ 48	+ 44	+ 7	- 2	+ 138	+ 195	+ 140	+ 97	3b
+ 258	+ 293	+ 140	+ 71	+ 164	+ 166	+ 681	+ 762	+ 668	4
- 42	- 40	- 44	- 26	- 16	- 184	- 140	- 152	- 126	5
- 11	+ 17	+ 16	+ 10	+ 10	+ 25	+ 27	+ 32	+ 53	6
- 4	- 3	- 8	- 6	- 3	- 48	- 15	- 21	- 20	7
+ 1	+ 2	+ 1	+ 2	+ 1	+ 17	-	+ 6	+ 6	8
-	-	-	-	- 16	-	-	-	- 16	9
+ 7	+ 20	+ 7	+ 16	+ 7	+ 69	+ 69	+ 50	+ 50	10,11
- 33	- 27	+ 7	+ 18	- 23	+ 89	- 26	- 35	- 25	14
+ 13	- 22	+ 53	+ 61	- 39	+ 44	- 33	+ 105	+ 53	16
+ 120	+ 97	- 121	- 34	+ 141	+ 204	+ 117	+ 62	+ 83	17
+ 417	+ 524	+ 186	+ 256	+ 293	+ 698	+1,372	+1,383	+1,259	E

NOTES:

D A minus sign indicates an outflow of capital from Canada.

D1,2 Exclusive of undistributed profits.

D17 This item includes mainly short-term capital movements in the form of changes in international open account commercial indebtedness, private and chartered bank holdings of exchange, and loans between private unrelated parties. It also includes the balancing item representing unrecorded capital movements and errors and omissions throughout the accounts.

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